United Nations S/2017/1129

Security Council

Distr.: General
29 December 2017

Original: English

Letter dated 29 December 2017 from the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) addressed to the President of the Security Council

I have the honour to transmit herewith the report of the Security Council Committee pursuant to resolution 1718 (2006), containing an account of the Committee's activities from 1 January to 31 December 2017. The report, which was approved by the Committee, is being submitted in accordance with the note by the President of the Security Council of 29 March 1995 (S/1995/234).

I should be grateful if the present letter and the report were brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Sebastiano **Cardi**
Chair
Security Council Committee established
pursuant to resolution 1718 (2006)

17-21757 (E) 020118

Please recycle

Report of the Security Council Committee established pursuant to resolution 1718 (2006)

I. Introduction

1. The present report of the Security Council Committee established pursuant to resolution 1718 (2006) covers the period from 1 January to 31 December 2017.

2. The Bureau of the Committee consisted of Sebastiano Cardi (Italy) as Chair and the representatives of Egypt and Ukraine as Vice-Chairs.

II. Background

3. In response to nuclear tests and launches conducted by the Democratic People's Republic of Korea that used ballistic missile technology, the Security Council has adopted nine resolutions in which it imposed and/or strengthened various sanctions on that country: resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017). The measures include an arms embargo, an embargo relating to nuclear, ballistic missile and other weapons of mass destruction programmes, sectoral bans on coal, minerals and fuel, a ban on the export of luxury goods, a travel ban and/or asset freeze on designated individuals and entities, a ban on the provision of financial services, a ban on specialized teaching and training in disciplines that could contribute to prohibited activities and programmes, and cargo inspection and maritime procedures.

4. The four resolutions adopted in 2017 further strengthened the sanctions regime by expanding the scope of the existing measures and introducing a range of new measures, which comprise several full sectoral bans, including a ban on all exports of coal, iron, iron ore, lead, lead ore, textiles, seafood, agricultural products, industrial machinery, transportation vehicles, steel and other metals, electrical equipment, earth and stone, including magnesite and magnesia, wood and vessels; a ban on selling or transferring fishing rights; a ban on the opening, maintenance and operation of all joint ventures or cooperative entities; a ban on providing work authorizations to nationals of the Democratic People's Republic of Korea abroad, including a requirement from Member States to repatriate all nationals earning income, as well as others, within 24 months from 22 December 2017; a ban on all refined petroleum products, including diesel and kerosene, and restrictions on the supply, sale or transfer of crude oil. Through the resolutions, the Council also strengthened a range of maritime measures, including provisions to designate vessels related to activities prohibited by the relevant resolutions and prohibiting their port entry; the seizure, inspection and freezing of any vessel in Member State ports and territorial waters involved in prohibited activities; a ban on providing insurance or re-insurance services; a requirement to de-register any vessels involved in illicit activities; and a ban on the supply, sale or transfer of new and used vessels to the Democratic People's Republic of Korea. Exemptions to some of the specific measures are also provided for.

5. The Committee established pursuant to resolution 1718 (2006) is mandated to oversee the implementation of the measures, examine and take appropriate action regarding alleged sanctions violations and make recommendations to strengthen the effectiveness of the measures.

6. A panel of experts, established pursuant to resolution 1874 (2009), acts under the direction of and assists the Committee in implementing its mandate to monitor, promote and facilitate the implementation of the measures imposed in the resolutions.

7. The membership of the Panel of Experts initially consisted of seven experts, but was increased to eight experts under resolution 2094 (2013). The mandate of the Panel was renewed most recently by the Security Council in its resolution 2345 (2017).

8. Further background information on the Democratic People's Republic of Korea sanctions regime can be found in the previous annual reports of the Committee.

III. Summary of the activities of the Committee

9. The Committee met four times in informal consultations, on 16 February, 10 May, 25 August, and 11 December, in addition to conducting its work through written procedures. The Committee also convened two open briefings, on 2 February and 9 October, and organized five regional outreach meetings, on 31 March, 10 April and 1, 12 and 26 May.

10. During the informal consultations held on 16 February, the Committee heard a presentation by the Panel of Experts on its final report (S/2017/150), submitted pursuant to paragraph 2 of resolution 2276 (2016).

11. During the informal consultations held on 10 May, the Committee continued its consideration of the Panel's final report and discussed the recommendations contained therein.

12. During the informal consultations held on 25 August, the Committee received a briefing by the Coordinator of the Panel of Experts on the Panel's midterm report (S/2017/742), submitted pursuant to paragraph 2 of resolution 2345 (2017), and discussed issues related to the implementation of resolution 2371 (2017).

13. During the informal consultations on 11 December, the Committee received briefings by the Office for the Coordination of Humanitarian Affairs and the Financial Action Task Force, and discussed the work of the Committee.

14. On 27 February, 24 May and 11 September, the Chair of the Committee briefed the Security Council during informal consultations on the activities of the Committee, pursuant to paragraph 12 (g) of resolution 1718 (2006). Pursuant to the same provision, the Chair briefed the Council in a formal meeting on 29 November.

15. The Committee received 105 reports from Member States on the implementation of resolution 2270 (2016), 94 reports on the implementation of resolution 2321 (2016), 43 reports on the implementation of resolution 2371 (2017) and 38 reports on the implementation of resolution 2375 (2017).

16. On 22 August, in accordance with paragraph 4 of resolution 2371 (2017), the Committee submitted to the Security Council a report (S/2017/728) in which it identified and designated a list of weapons of mass destruction-related items, materials, equipment, goods and technology as sensitive goods.

17. On 5 September, in accordance with paragraph 5 of resolution 2371 (2017), the Committee submitted to the Security Council a report (S/2017/760) in which it designated additional conventional arms-related items, materials, equipment, goods and technology.

18. On 29 September, in accordance with paragraph 4 of resolution 2375 (2017), the Committee submitted to the Security Council a report (S/2017/822) in which it designated additional weapons of mass destruction-related dual-use items, materials, equipment, goods and technology.

19. On 2 October, in accordance with paragraph 5 of resolution 2375 (2017), the Committee submitted to the Security Council a report (S/2017/829) in which it

designated additional conventional arms-related items, materials, equipment, goods and technology.

20. On 3 October and 28 December, in accordance with paragraph 6 of resolution 2375 (2017), the Committee decided that eight vessels should be subject to the measures imposed in paragraph 6 of resolution 2371 (2017).

21. Following the adoption of resolutions 2371 (2017) and 2375 (2017) by the Security Council on 5 August and 11 September, respectively, the Committee updated a number of its documents, including five of its implementation assistance notices and the fact sheet on measures imposed under the relevant resolutions, which are available on the Committee's website.

22. The Committee continued to assist Member States and international organizations in implementing their obligations under the relevant Security Council resolutions. On 2 February and 9 October, the Committee held open briefings, at which the Chair provided an overview of the new measures imposed under resolutions 2321 (2016), 2371 (2017) and 2375 (2017) and informed Member States about the mandate and activities of the Committee and how it could assist them in carrying out their obligations under the relevant resolutions.

23. In accordance with paragraph 44 of resolution 2321 (2016), the Committee held five regional outreach meetings, on 31 March, 10 April and 1, 12 and 26 May, on important thematic and regional topics and the capacity challenges of Member States, in order to provide assistance and enable more effective implementation by Member States.

24. The Committee received letters from several United Nations entities requesting confirmation that their engagement with the Democratic People's Republic of Korea, including proposals to provide technical assistance to the country, did not contravene the sanctions regime. The Committee responded to those requests, recalling the obligations under the relevant Security Council resolutions.

25. The Committee sent 282 communications to 130 Member States and other stakeholders with reference to the implementation of the sanctions measures.

IV. Exemptions

26. Exemptions to the arms embargo are contained in paragraph 10 of resolution 1874 (2009) and paragraph 8 of resolution 2270 (2016).

27. Exemptions to the asset freeze are contained in paragraph 9 of resolution 1718 (2006), paragraph 32 of resolution 2270 (2016) and paragraph 26 of resolution 2371 (2017).

28. Exemptions to the travel ban are contained in paragraph 10 of resolution 1718 (2006) and paragraph 10 of resolution 2094 (2013).

29. Exemptions relating to the provision of bunkering services are contained in paragraph 17 of resolution 1874 (2009).

30. Exemptions relating to proliferation networks are contained in paragraphs 13 and 14 of resolution 2270 (2016).

31. Exemptions relating to interdiction and transportation measures are contained in paragraph 21 of resolution 2270 (2016), paragraphs 8, 9 and 22 of resolution 2321 (2016), paragraphs 6 and 12 of resolution 2375 (2017) and paragraph 9 of resolution 2397 (2017).

32. Exemptions relating to the supply, sale or transfer of new or used vessels are contained in paragraph 14 of resolution 2397 (2017). Exemptions relating to the ban on providing insurance or re-insurance services to vessels are contained in paragraph 11 of the resolution. Exemptions relating to de-registering vessels are contained in paragraph 12 of resolution 2397 (2017).

33. Exemptions relating to the coal, iron and iron ore ban are contained in paragraph 8 of resolution 2371 (2017) and paragraph 16 of resolution 2397 (2017), and exemptions relating to the fuel ban (aviation, rocket and jet fuel) are contained in paragraph 31 of resolution 2270 (2016).

34. Exemptions relating to scientific and technical cooperation are contained in paragraph 11 of resolution 2321 (2016).

35. Exemptions relating to financial measures are contained in paragraph 19 of resolution 1874 (2009), paragraph 33 of resolution 2270 (2016), paragraphs 31 to 33 of resolution 2321 (2016) and paragraph 18 of resolution 2375 (2017).

36. Exemptions relating to statues and new helicopters and vessels are contained in paragraphs 29 and 30 of resolution 2321 (2016).

37. Exemptions relating to the ban on all refined petroleum products are contained in paragraph 14 of resolution 2375 (2017) and paragraph 5 of resolution 2397 (2017). Exemptions on the supply, sale or transfer of an excess amount of crude oil are contained in paragraph 15 of resolution 2375 (2017) and paragraph 4 of resolution 2397 (2017).

38. Exemptions relating to the ban on the supply, sale or transfer of all industrial machinery (HS codes 84 and 85), transportation vehicles (HS codes 86 through 89), and iron, steel, and other metals (HS codes 72 through 83) are contained in paragraph 7 of resolution 2397 (2017).

39. Exemptions relating to the ban on seafood are contained in paragraph 9 of resolution 2371 (2017).

40. Exemptions relating to the ban on the supply, sale or transfer of textiles are contained in paragraph 16 of resolution 2375 (2017).

41. Exemptions relating to the ban on workers of the Democratic People's Republic of Korea abroad are contained in paragraph 17 of resolution 2375 (2017), and exemptions relating to the repatriation of workers are contained in paragraph 8 of resolution 2397 (2017).

42. The Committee approved a request from a Member State for an exemption from the correspondent account prohibition set out in paragraph 31 of resolution 2321 (2016). The Committee also approved a request from a Member State for an exemption to the measures imposed by paragraph 6 of resolution 2371 (2017) and paragraph 6 of resolution 2375 (2017).

V. Sanctions list

43. The criteria for the designation of individuals and entities as subject to the travel ban and asset freeze are set out in paragraphs 8 (d) and (e) of resolution 1718 (2006), paragraph 12 of resolution 2087 (2013) and paragraph 27 of resolution 2094 (2013). The procedures for requesting listing and delisting are described in the Committee's guidelines for the conduct of its work.

44. As at the end of the reporting period, there were 79 individuals and 54 entities on the sanctions list of the Committee.

VI. Panel of Experts

45. On 30 January, in accordance with paragraph 2 of resolution 2276 (2016), the Panel of Experts provided its final report to the Committee, which was transmitted to the Security Council on 17 February and issued as a document of the Council (S/2017/150).

46. On 24 April, following the adoption by the Security Council of resolution 2345 (2017) on 23 March, the Secretary-General appointed eight individuals to the Panel, with expertise in missile issues and other technologies, air transport, customs and export controls, finance and economics, nuclear issues, maritime transport, non-proliferation, procurement and trade, and other weapons of mass destruction and conventional arms (see S/2017/377). The mandate of the Panel expires on 24 April 2018.

47. On 1 May, in accordance with paragraph 3 of resolution 2345 (2017), the Panel presented its programme of work to the Committee. On 4 August, in accordance with paragraph 2 of resolution 2345 (2017), the Panel provided its midterm report to the Committee, which was transmitted to the Security Council on 28 August and issued as a document of the Council (S/2017/742).

48. The Panel conducted visits to Austria, Belgium, China, France, Greece, Israel, Italy, Japan, Malaysia, New Zealand, the Republic of Korea, the Russian Federation, Spain, Sri Lanka, Sweden, Switzerland, Thailand, the United Kingdom of Great Britain and Northern Ireland and the United States of America. The Panel also held informal consultations with government officials and national experts of Member States and with representatives of several international organizations and entities, such as the Financial Action Task Force and the Stockholm Peace Research Institute. It also participated in relevant international meetings, conferences, workshops and seminars.

49. In pursuance of its mandate, the Panel, through the Secretariat, sent 1,177 letters to Member States, the Committee and international and national entities.

VII. Secretariat administrative and substantive support

50. The Security Council Affairs Division provided substantive and procedural support to the Chair and the members of the Committee. Advisory support was also provided to Member States to promote understanding of the sanctions regime and facilitate the implementation of the sanctions measures. Induction briefings were also provided to incoming members of the Council to familiarize them with the specific issues relevant to the sanctions regime.

51. To support the Committee in its recruitment of well-qualified experts to serve on sanctions monitoring groups, teams and panels, a note verbale was sent to all Member States on 11 December to request the nomination of qualified candidates for membership in the roster of experts.

52. The Division continued to provide support to the Panel of Experts, conducting an induction for newly appointed members and assisting in the preparation of the Panel's final report submitted in January and its midterm report submitted in August.

53. The Panel of Experts participated in the fifth annual inter-panel coordination workshop, held in New York on 5 and 6 December, organized by the Secretariat. On 7 and 8 December, the Division, in cooperation with United Nations system partners, conducted a workshop on investigative interview techniques for experts from

sanctions monitoring groups, teams and panels. One member of the Panel participated therein.

54. The Secretariat continued to update and maintain the Consolidated United Nations Security Council Sanctions List and the committee-specific sanctions lists in the six official languages and the three technical formats. Furthermore, the Secretariat implemented improvements concerning the effective utilization of and access to sanctions lists, including through the creation of links within list entries, as appropriate, to INTERPOL-United Nations Security Council Special Notices, as well as the development in English of the data model approved in 2011 by the Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities, as requested by the Security Council in paragraph 48 of resolution 2253 (2015).